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NEWS RELEASE

IDAHO PUBLIC
UTILITIES COMMISSION

Idaho Power Files Annual Power Cost Adjustment (PCA)

The annual filing, in place since 1992, is a cost recovery mechanism that passes on both the benefits and costs of supplying energy to Idaho Power customers. The federal Public Utilities Regulatory Policies Act (PURPA) requires Idaho Power to purchase power from certain renewable-energy projects, also known as qualifying facilities (QFs). This has a significant and growing impact on the PCA that results in higher costs to customers.

BOISE, Idaho, April 13, 2012 -- On April 13, Idaho Power submitted its annual Power Cost Adjustment (PCA) proposal for approval by the Idaho Public Utilities Commission (IPUC). If it is approved by the Commission as filed, Idaho customer rates will increase by \$43 million, or an overall percentage increase of 5.10 percent in current billed rates beginning June 1.

"This year's PCA increase is driven primarily by PURPA expenses," pointed out Greg Said, Idaho Power vice president of Regulatory Affairs. "PURPA expenses have grown by nearly 25 percent in the last year and that increase is reflected in this year's request."

The chart below illustrates the overall percentage change for each major customer group as a result of the PCA filing. The varying percentages of overall increase for each customer class reflect the difference in the price each group pays for electricity.

Revenue Impact by Class: Percentage Change from Current Billed Rates

Residential	Small General Service	Large General Service	Large Power	Irrigation	Overall Change
3.79%	2.73%	5.82%	8.55%	5.10%	5.10%

The typical Idaho residential customer using 1,050 kilowatt-hours (kWh) of energy per month will see an increase of approximately \$2.82 on their monthly summer bill and \$2.88 a month for non-summer months. The actual percentage of change will vary by customer group based upon the rate they pay.

PURPA Impact on the PCA

The power supply expense passed on to customers through the PCA as a result of PURPA QF projects was about \$40 million in 2004. The large increase in QF projects on-line and under

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contract since then is expected to increase that expense to nearly \$130 million during the 2012/2013 PCA period which represents an increase of nearly \$30 million this year.

There are 27 projects currently exploring energy sales agreements with Idaho Power. These projects represent 595 megawatts (MW) nameplate capacity of generation *in addition to* the 989 MW nameplate capacity of the 119 projects with existing power purchase agreements with Idaho Power. These additional projects would require customers to pay *an additional \$2.7 billion* over the company's existing contractual obligation of more than **\$3.6 billion**.

Idaho Power is aware of the impact these cost increases have on customers and the region's economy and has asked the Idaho Public Utilities Commission to change the way prices are set for energy from these projects. The proposed pricing model would take into account important factors like whether the resource is reliable, whether its production can be raised or lowered in response to customer demand, and whether the electricity is even needed at all.

Opportunities for Public Review

Idaho Power's filing is a proposal that is subject to public review and approval by the IPUC. Copies of the application are available to the public at the IPUC offices (472 W. Washington, Boise, ID), Idaho Power offices or on Idaho Power's website, www.idahopower.com or the IPUC website, www.puc.idaho.gov. You can view additional, related materials on the filing at www.idahopower.com/rates.

About Idaho Power Company:

Idaho Power began operations in 1916. Today, the electric utility employs approximately 2,000 people who serve nearly 500,000 customers throughout a 24,000-square-mile area in southern Idaho and eastern Oregon. With 17 low-cost hydroelectric projects as the core of its generation portfolio, Idaho Power's residential, business and agricultural customers pay among the nation's lowest rates for electricity. IDACORP, Inc. (NYSE: IDA) is the investor-owned utility's parent company based in Boise, Idaho. To learn more, visit www.idahopower.com or www.idacorpinc.com.

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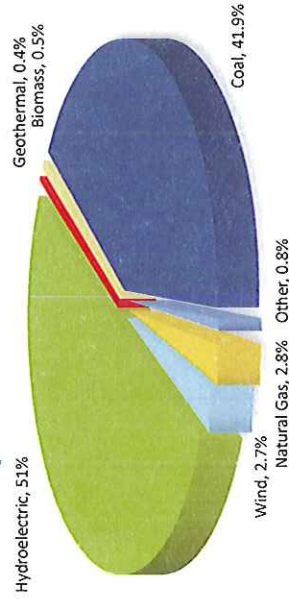
April 13, 2012

Where Did Idaho Power's Electricity Come From Last Year?

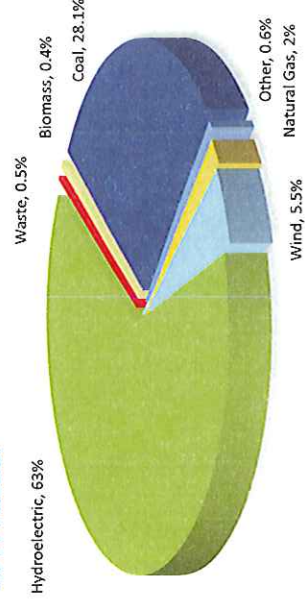
Idaho Power obtains energy from a diverse set of generation resources. In above average water years, our base of 17 clean, low-cost hydroelectric plants on the Snake River is typically our largest source of electricity. We also utilize our natural gas and coal-fired plants and a combination of short-term market purchases and long-term power purchase contracts from independent producers.

The estimated fuel mix for Idaho Power's resource portfolio under normal and 2011 actual water conditions¹ is shown below².

Normal Expectation



2011 Actual



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Idaho Power Files 2012 Power Cost Adjustment

On April 13, Idaho Power submitted its annual Power Cost Adjustment (PCA) proposal for approval by the Idaho Public Utilities Commission (IPUC). The PCA, an annual filing in place since 1992, is a cost recovery mechanism that passes on both the benefits and costs of supplying energy to Idaho Power customers.

The federal Public Utility Regulatory Policies Act (PURPA) requires Idaho Power to purchase power from certain renewable-energy projects, often at prices higher than what we would pay to generate the power at our own facilities or buy it on the open market. These projects, or qualifying facilities (QFs), have a significant and growing impact on the PCA that results in higher costs to customers.

If our filing is approved by the Commission as filed, Idaho customer rates will be increased by \$43 million, or an overall percentage increase of 5.10 in current billed rates beginning June 1.

This year's PCA increase is driven primarily by PURPA expenses. They have grown by nearly 25 percent in the last year and that increase is reflected in this year's request.

¹Long-term power purchases with a known fuel source have been identified by fuel type; market purchases have been assigned the Northwest Power Pool Net System Mix for 2010. Fuel mix percentages may not total 100 percent due to rounding.

²This is an estimate of the fuel mix of Idaho Power's portfolio of generation supply, including market purchases. Because Idaho Power intends to sell the Renewable Energy Certificates (RECs) that it owns in the near-term with proceeds benefiting retail customers, and since Idaho Power does not own the RECs for the other qualified renewable resources represented in the above Resource Portfolio Fuel Mix Charts, Idaho Power cannot and does not represent that electricity produced by the above fuel mix was delivered to its retail customers in 2011. For more information on the energy delivered to retail customers see "Energy Delivered to Retail Customers" on our website at www.idahopower.com.

The chart below illustrates the overall percentage change for each major customer group as a result of the PCA filing. The varying percentages of overall increase for each customer class reflect the difference in the price each group pays for electricity.

2012 PCA REVENUE IMPACT BY CLASS					
Percentage Change from Current Billed Rates					
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How PURPA Impacts the PCA

The power supply expense passed on to customers through the PCA as a result of these projects was about \$40 million in 2004. The large increase in QF projects on-line and under contract since then is expected to increase that expense to nearly \$130 million during the 2012/2013 PCA period, which represents an increase of nearly \$30 million this year.

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The IPUC is currently accepting comments on this case (GNR-E-11-03) from the public and other interested parties. A decision is expected in late summer or early fall of 2012. More information is available at www.idahopower.com.

Why Idaho Power Files a PCA

The PCA is an annual filing that reflects Idaho Power's anticipated fuel costs for generating electricity, costs of power purchases to meet customer demand and benefits resulting from sales of surplus energy for the coming year. We sell surplus energy during times of high production and low customer energy needs.

The PCA mechanism allows customers to benefit from our system's surplus energy sales to the wholesale market. These "off-system" sales revenues are deducted from our power supply costs and reduce the rates our customers pay. The PCA also brings last year's forecasted costs in balance with actual expenses.